

~~[R590]~~R592-11. Insurance, ~~[Administration]~~Title and Escrow Commission.

~~[R590-136]~~R592-11. Title Insurance ~~[Agents-]~~Producer Annual and Controlled Business Reports.

~~[R590-136-1]~~R592-11-1. Authority.

This rule is promulgated ~~[by the commissioner]~~ pursuant to:

(1) Section 31A-2-404(2)(a), which requires the Title and Escrow Commission (Commission) to make rules related to title insurance;

(2) Section 31A-23a-413, [that]which requires the annual filing of a report by each title insurance producer, as defined in R592-11-3, containing a verified statement of the producer's financial condition, transactions, and affairs;[by title agents] and

(3) Subsection 31A-23a-503(8), [that]which requires the [commissioner to prescribe the forms for these] annual filing[s] of a controlled business report.

~~[R590-136-2]~~R592-11-2. Purpose and Scope.

(1) The purpose of this rule is to establish the form and filing deadline [of]for the [title insurance agents-]Title Insurance Producer Annual Report [annual reports]and Controlled Business Report required by Section 31A-23a-413 [-]and Subsection 31A-23a-503(8)(a).

(2) This rule applies to all title insurance producers as defined in R592-11-3.

~~[R590-136-3]~~R592-11-3. Definition.

For the purpose of this rule the Commission adopts the definitions as set forth in Sections 31A-1-301 and 31A-2-204 and the following:[, "agent" shall mean:]

(1) "Title insurance producer" [an agency as defined in Subsection 31A-23a-102(5)] includes:

(a) a title insurance agency as defined in 31A-1-301(6);

(b) an individual title producer not designated to a title insurance agency; and

(c) an attorney licensed to practice law in Utah who is also an individual title producer not designated to a title insurance agency.

~~[(2) individuals who are licensed to practice law in Utah and are not exempt from the requirements of Subsection 31A-23a-204(1) and (2).]~~

~~[R590-136-4]~~R592-11-4. ~~[Financial Condition, Transactions and Affairs]~~Title Insurance Producer Annual Report.

(1) Title insurance producers, as defined in R592-11-3, shall file a Title Insurance Producer Annual Report containing the information shown in subsection 2 below.

~~[Title insurance agents shall file]~~

(2) A Title Insurance Producer Annual Report shall consist of:

(a) a balance sheet and an income and expense statement prepared and presented in conformity with generally accepted accounting principles;[and a reserve fund report required by

~~Subsection 31A-23-204(2). The reserve fund report shall include the following:~~

- ~~— (a) gross income received from title insurance business;~~
- ~~— (b) deposit required, 1% of gross income received from title insurance business;~~
- ~~— (c) all deposits made and dates of deposits;~~
- ~~— (d) reserve fund account number and depository institution name and address;~~
- ~~— (e) balance after last deposit;~~
- ~~— (f) copies of the account statements; and~~
- ~~— (g) reporting period.~~

~~(2) The title insurance agent shall file a report that identifies]~~

(b) the name and address of each financial institution where a title or escrow trust account is maintained;

(c) unless the producer is an attorney exempted under 31A-23a-204(8), proof of financial protection that complies with Subsection 31A-23a-204(2) consisting of one or more of the following:

- (i) a copy of the declarations page of a[the] fidelity bond;
- (ii) a copy of the declarations page of a[7] professional liability insurance policy; or
- (iii) a copy of the commissioner's approval of equivalent financial protection; and[other equivalent] approved by the commissioner[, that satisfies the requirement of Subsection 31A-23a-204(2)-.];

(d) the name, address, and percentage of ownership of each owner.

(3) A title insurance producer, as defined in R592-11-3, shall file a Title Insurance Producer Annual Report[The reports required by this rule shall be verified and filed with the commissioner by] not later than April 30 of each year.

(4) The Title Insurance Producer Annual Report period shall be the preceding calendar year.

(5) A[The reports] Title Insurance Producer Annual Report will be considered[required are] protected data if the producer submitting the report requests classification as a protected record in accordance with Sections 63G-2-305 and 63G-2-309. [Access shall be restricted to the title insurance agent and the Insurance Department.]

[R590-136-5] R592-11-5. Controlled Business Report.

(1) [Pursuant to Subsection 31A-23a-503(8)(a) each] A title insurance [agent]producer, as defined in R592-11-3, shall file an annual Controlled Business Report not later than April 30 of each year.

(2) The Controlled Business Report period shall be the preceding calendar year and shall contain the information required in Subsection 31A-23a-503(8)(a). [report the names and addresses of any persons owning a financial interest in the title insurance agent as of the last day of the calendar year, who are known or reasonably believed by the title insurance agent to be producers of title business, and the proportion of the title insurance agent's gross operating revenues that are attributable to

~~controlled business during the preceding calendar year. The report shall be filed by April 30 of each year.]~~

~~(3) A[The controlled business report] Controlled Business Report is a public record upon filing.~~

~~[(2) Annual Report of Controlled Business Transactions forms are available from the Insurance Department and shall be utilized in reporting the controlled business transactions required by this rule. This form may be reproduced for use by a title insurance agent.]~~

R592-11-6. Electronic Filing of Title Insurance Producer Annual Report and Controlled Business Report.

(1) The Title Insurance Producer Annual Report and the Controlled Business Report shall be submitted together electronically via email to market.uid@utah.gov.

(2) The Title Insurance Producer Annual Report and the Controlled Business Report shall be submitted not later than April 30 of each year as attachments to the Title Insurance Agency Annual Reports Transmittal Form.

(3) The following report forms, which are available on the department's website, shall be used to submit the Title Insurance Producer Annual Report and the Controlled Business Report:

(a) Title Insurance Producer Annual and Controlled Business Reports Transmittal form; and

(b) Controlled Business Report form.

(4) Actual copies of the forms may be used or may be adapted to a particular word processing system, however, if adapted, the content, size, font, and format shall be similar.

R592-11-7. Penalties.

A person found to be in violation of this rule shall be subject to penalties as provided under Section 31A-2-308.

R592-11-8. Enforcement Date.

The commissioner will begin enforcing this rule 5 days from the rule's effective date.

~~[R590-136-6]~~R592-11-9. Severability.

If any provision or clause of this rule or its application to any person or situation is held invalid, that invalidity shall not affect any other provision or application of this rule which can be given effect without the invalid provision or application, and to this end the provisions of this rule are declared to be severable.

KEY: title insurance~~[-law]~~

Date of Enactment or Last Substantive Amendment: ~~[November 1, 1996]~~2009

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Authorizing, and Implemented or Interpreted Law: 31A-23-313; 31A-23-403